

VZCZCXRO6314
OO RUEHROV
DE RUEHKH #1585 3020829
ZNR UUUUU ZZH
O 280829Z OCT 08
FM AMEMBASSY KHARTOUM
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2177
INFO RUCNIAD/IGAD COLLECTIVE
RHMFISS/CJTF HOA

UNCLAS KHARTOUM 001585

DEPT FOR AF A/S FRAZER, SE WILLIAMSON, AF/SPG
NSC FOR PITTMAN AND HUDSON
ADDIS ABABA FOR USAU
DEPT PLS PASS USAID FOR AFR/SUDAN

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [ASEC](#) [PGOV](#) [PREL](#) [KPKO](#) [SOCI](#) [AU](#) [UNSC](#) [SU](#)

SUBJECT: ABYEI ADMINISTRATION OFF TO A SLOW START DUE TO FINANCIAL OBSTACLES

¶1. (SBU) SUMMARY: Knee-deep in protocols and barely-functional joint military and police units, the beleaguered town of Abyei has yet to see any of the US\$48 million promised to it annually. The Abyei Interim Administrator expects his staff to arrive eager to volunteer their services (without pay) on October 30; military and police units await full funding as well. With a senior UN official calling the bureaucratic headache "a real, real problem," no signs indicate that the fiscal hold-up - reportedly due to a proper lack of financial controls for the Interim Administration - will be resolved anytime soon. END SUMMARY.

¶2. (SBU) On October 27 UN Head of Office for Abyei Christine Johnson reported that none of the institutions established under the Abyei Roadmap Agreement (Abyei Administration, Joint Integrated Unit (JIU), and Joint Integrated Police Unit (JIPU)) are fully functioning because of lack of funds. The Abyei Administration finally approved by the Presidency on October 6 still has not taken up residence in Abyei (it should have happened in August). Although the JIU has been fully staffed since shortly after the roadmap was signed in May, it still lacks equipment and only has two operating vehicles to work with. (Note: Patrolling the rural areas outside of Abyei town where violence in most likely to erupt is a critical function of the JIU. End note.) Johnson described the absence of the Administration as becoming "a real, real problem." She said that traditional Dinka Ngoc leaders are starting to lose confidence in their own Administration before it actually gets started.

¶3. (SBU) Johnson said that she understood that none of the local oil revenue that is to fund the Abyei Administration under the CPA and the Roadmap has been disbursed and that the Administration lacks funds for even basic operating expenses. The UN has prepared interim office space for the Administration to use for three to four months until permanent offices can be readied. USAID is in the process of bidding for construction of permanent offices, which will take around three months to construct, making them available sometime in February 2009.

¶4. (SBU) The same day Abyei Administrator Arop Mayok told USAIDoff that three days earlier Arop had sent letters out to all Administration staff to report to Abyei. Arop expects that by October 30, almost all of the staff will have arrived in Abyei. According to Arop, Administration staff will work as unpaid volunteers until the oil revenues or money from GOSS is disbursed. He does not suspect, at the moment, that the GNU or GOSS are intentionally holding up the disbursement, but believes that the administrative procedures for releasing the funds are taking longer than expected. (Although he does not have an idea of where the issue is in these processes at the moment.) Some of the administrative personnel will be deployed from Abyei to follow-up on the disbursements once they arrive in Abyei.

¶5. (SBU) Also on October 27, Norway's Petroleum Envoy in Khartoum, Anders Hannevik, confirmed that the oil revenue money has been

allocated for the Administration's use, but that the funds have not been disbursed yet. Hannevik believes that the hold-up is due to a lack of adequate financial controls on the administration's spending and the danger that money could be misappropriated. He said he himself had flagged this problem with the GNU Finance Ministry.

¶6. (SBU) Under the CPA, eight percent of the revenues generated by oil from the Abyei region are to be dedicated to the Abyei peoples and government. Further, under the Roadmap Agreement, the GNU will contribute 50 percent and the GOSS will contribute 25 percent of their share of oil revenues from the area under arbitration to a "Unity Fund" to be established by the Presidency for development of areas along the North-South Border. According to an analysis performed by World Bank staff, the annual amount available for Abyei should total around US\$48 million.

¶7. (SBU) COMMENT: The GNU needs constant pushing to work with Mayok in setting in place immediately the necessary financial controls for the Abyei Interim Administration, so that it may begin receiving and disbursing money. Should the Abyei Administration, the JIUs and the JIPUs fail to deliver on the promises hammered out following the disastrous fighting in May, residents will return (and have already begun to return) to a town not only destroyed but with no signs of recovery. In this environment, tension between the Dinka and Misseriya is likely to mount heading into next year's dry season as the Misseriya again move south with their cattle. Post will continue to raise this issue with senior GNU officials in the coming days and weeks.

FERNANDEZ